

548 MARKET ST. #68514 SAN FRANCISCO, CA 94104

lead to confusion by law enforcement that may erroneously believe that drivers are participating in ridesharing when they are operating their vehicles for personal reasons. Trade dress or a temporary placard is a more appropriate way to identify registered drivers when they are available for ridesharing.

Certificate of Authority

As a condition for receiving a "certificate of authority" under SB 184, TNCs are required to certify that each of its vehicles received a safety inspection and to produce a "safety inspection report" to the department (Sec. 13(1)(b) and Sec. 15(3)). Lyft is highly supportive of ensuring that safe vehicles are on the road, which is why we conduct a 19-point vehicle inspection on every vehicle used by a driver on our platform. However, the process described in the legislation reflects a lack of understanding of how TNCs work.

Unlike a traditional limousine or taxi service, TNCs do not own, lease or manage a fleet of vehicles. Instead, Lyft permits screened drivers using their personal cars to access the Lyft platform at their leisure. The goal of Lyft is for everyone who is qualified in Michigan to eventually become a Lyft driver. Given the fluid and growing nature of the platform, it is not practical to require a TNC to submit a safety inspection report for a finite number of vehicles in order to receive a certificate of authority. A more reasonable inspection requirement would be for the TNC to certify that each new vehicle accepted on the platform has undergone a safety inspection and to subject these records to audit by the state.

Fees

SB 184 would require a fee structure that would crush Lyft's business model and our vision for universal ridesharing in Michigan. The legislation requires all TNCs to not only pay a one-time \$300.00 fee but also pay \$50.00/vehicle annually and \$5.00/vehicle in annal inspections (Sec. 17, Sec. 21(1)), Sec. 23. As state previously, Lyft's goal is that every Michigan resident who is qualified will become a Lyft driver, so that Michigan has a critical mass of drivers throughout the state to provide safe, affordable and friendly rides via the Lyft platform. However, these goals will be impossible if Lyft is required to pay \$55.00/vehicle in fees for every Michigan driver who signs up on the platform. Other states, like California, Colorado, and Virginia have instead implemented a flat, annual TNC fee.

Thank you for the opportunity to provide this feedback. We look forward to working with you to create a regulatory framework for this new industry.

Sincerely,

April Mims

Manager, Public Policy



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March 23, 2015

Honorable Senate Committee on Regulatory Reform PO Box 30036 Lansing, MI 48909-7536

Dear Senate Committee Members,

On behalf of thousands of Lyft users in Michigan, I would like to express serious concern over Senate bills 184 and 188, which amend The Limousine Transportation Act to incorporate Transportation Network Companies (TNCs), like Lyft. If passed, SB 184 would threaten Lyft's ability to operate in Michigan, and impact thousands of users who rely on Lyft to connect them to safe, affordable and friendly transportation. SB 188 also presents insurance and decal requirements that will negatively impact the burgeoning TNC industry in Michigan. Allow me to summarize these concerns.

Insurance

SB 184 and SB 188 would set a bad precedent for TNC insurance in Michigan that has not been adopted by any other state in America. It would require TNCs to provide continuous commercial coverage of \$1M dollar for all drivers, even when a driver does not have the digital application on (SB 184 - Sec. 13(1)(c) and SB 188 - Sec. 43A). As stated previously, the only way TNCs will succeed and build capacity into Michigan's transportation system is if non-professional drivers are able to blend personal and professional use of their private cars. A Lyft driver may head to the grocery store, turn on the Lyft app on her way back and decide to give a neighbor a ride to a neighbor on her way home. Insurance should be implemented in Michigan to reflect this new dynamic.

Currently, Lyft provides \$1M of primary commercial coverage when a TNC driver is ridesharing. Even when a driver has the Lyft application open in driver mode but is not ridesharing, Lyft's provides commercial insurance that is contingent on a driver's personal policy not responding. Finally, when a driver does not have the TNC application open in driver mode, naturally the driver's personal policy is in effect. The insurance market is working to respond to this new framework with TNC-specific policies for drivers to purchase. These policies have been approved in California, Colorado, Illinois, Pennsylvania and Virginia. However, by requiring TNCs to provide primary commercial coverage at all times for drivers, Michigan will be stifling the TNC insurance market in Michigan with no measurable benefit to the consumer.

Decal

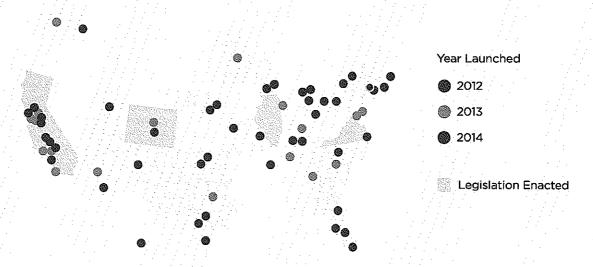
SB 188 includes a decal requirement that is antithetical to the TNC platform (Sec. 47(2)). Unlike limousine drivers who drive full-time, commercial vehicles, TNC drivers utilize their personal vehicles to participate in occasional ridesharing. As such, these drivers should not be required to affix a permanent (and costly) decal to their personal vehicles. Further, a decal could

What is **Lyft**?

Lyft introduced on-demand ridesharing – a friendly, safe, and affordable transportation option that fills empty seats in passenger vehicles already on the road by matching drivers and riders via a smartphone application.

First launched in San Francisco in 2012, Lyft now matches over 2M rides per month across 60+ cities from San Diego to Boston.

Staying true to our initial vision and long-term goal, the 2014 launch of our latest innovation – Lyft Line – enables multiple parties traveling separately to be matched with a common driver in real-time in a way that maximizes route and fuel efficiency. At the same time, drivers can indicate their intended destination before accepting a ride request to maximize vehicle occupancy during incidental rides.



"This is an exciting moment for Los Angeles as we work to embrace technology to improve our transportation options and save people money. This decision allows new, cost-effective solutions while protecting public safety through common sense regulations."

Mayor Eric Garcetti (Los Angeles) "There are all these [collaborative consumption] companies starting up. It's actually helping all of us enter a world of entrepreneurial interaction in a way that is so democratic that people are now given the tools to control their economic destiny."

Senator Cory Booker (New Jersey) "Emerging transportation options such as Lyft present a real opportunity for our evolving transportation ecosystem to more efficiently serve residents and visitors to Massachusetts alike."

Governor Charlie Baker (Massachusetts)

"As new transportation services like Uber and Lyft emerge, legislation is needed to welcome entrepreneurial opportunities. We can provide uniform and predictable pathways to conduct business in Michigan and provide employment opportunities for Michigan residents."

Michigan State House Republicans (2015 Action Plan)

Impact

for Drivers

- Drivers earn meaningful, supplemental income a recent survey shows 66% of driver earnings are used to cover primary expenses like food, housing, and medical expenses.
- Drivers benefit from an extremely flexible schedule that adjusts in real-time to their personal obligations and availability. 95% of drivers feel flexible hours are very/extremely important.
- This combination of income and flexibility has empowered many Lyft drivers to start or maintain their own business. In a recent survey, over 25% of drivers also own a business and 70% of those business owners say earnings from Lyft driving allow them to continue operating their business.
- Drivers and passengers often make lasting connections. In fact, 3 out of 5 drivers say they get matched with a neighbor at least once a week and more than half say a ride resulted in a professional or business connection.

for Passengers

- Passengers benefit from additional transportation options, especially when public transit is not available or does not service an area of interest. Lyft passengers in California saved 2.7 million hours in 2014 compared to their alternate mode of transportation.
- Passengers say that because
 of Lyft, they are more likely to
 travel on their own schedule
 (80%), avoid the hassle of
 parking (81%), spend less time
 commuting (68%), and feel
 empowered to visit areas of
 their city that are not easily
 accessible (63%).
- Passengers often use Lyft for commuting, errands, medical appointments, and connecting to public transportation.
 Recent analysis shows that over 20% of Lyft rides in Silicon Valley start or end at a Caltrain station.
- Cashless transactions
 enhance safety for passengers
 as well as drivers. 94% of
 passengers agree that Lyft's
 transaction is safer and more
 convenient than cash.

for Communities

- 78% of passengers
 spend more money and
 frequent local businesses
 more because of Lyft. A
 recent economic study
 estimated Lyft added
 over \$150 million dollars
 to the San Francisco and
 Los Angeles economy
 in 2014.
- Passengers chose to travel more safely. Over 90% of passengers feel they are more likely to avoid driving while impaired because of Lyft.
- Lyft helps cities develop transportation plans that appeal to a growing demographic of carless households by providing convenient, scalable, ondemand transportation while increasing vehicle occupancy, decreasing traffic congestion, and reducing greenhouse gas emissions. In a recent survey, more than half of passengers said they use a personal vehicle less because of Lyft and 40% said they were more likely to avoid owning a personal vehicle entirely.

Trust & Safety

Consumers want safer transportation. The Lyft platform was designed with a holistic approach to safety. A wide range of innovative features keep both drivers and passengers feeling confident, informed, and accountable at all times.





Driver Background Checks

Every driver who applies to become a part of the Lyft community is screened for criminal offenses and driving incidents.

Each background check includes:



A social security number verification — searches against a database of over 400 different sources such as major credit headers, property deeds/mortgages, vehicle registrations, licenses and permits, US Postal Mail Forwarding Service, utility company billing records, and other resources where the individual has used the social security number along with a name and an address. This search generates a history of past and present addresses and a list of names associated with those addresses, including aliases, maiden names, nicknames and names misspelled or variously transliterated across languages.



An enhanced nationwide criminal search - searches against hundreds of millions of records collected from all over the country, including state Department of Corrections, most wanted lists, and outstanding warrants and arrest records as a part of SterlingBackCheck criminal background screening services.



County court records — a direct search of criminal records from courts within any U.S. counties that the prior searches have identified as linked to the applicant. This search reveals any felony or misdemeanor cases and their final outcome, or current status if the matter is still pending.1



Federal criminal court records — This search identifies criminal case details and outcomes from any of the 94 U.S. federal district courts.



U.S. Department of Justice 50-state sex offender registry search — searches the Federal Department of Justice (DOJ) Sex Offender Registry which includes real-time listings of registered sex offenders and other violent offenders in all 50 states.2



Background Check

screens for:

- Violence
- Sexual Offenses
- Theft
- Property Damage
- Felonies
- · Drug-related Offenses



Driving Record Check

- Age 21+ with 1 year or more of driving history
- · Valid personal auto insurance that meets or exceeds state requirements
- NO more than three minor violations in the past 3 years
- NO major violations in the past 3 years (e.g. reckless driving, no insurance)
- NO severe violations in the past 7 years (e.g. DUI, extreme speeding)



Driver Profile & Standards

Driver Standards

Drivers undergo a rigorous screening process prior to approval and high standards are enforced via real-time passenger ratings after each ride.

National Statistics



1 in 4 driver applicants are approved

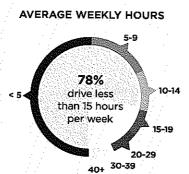


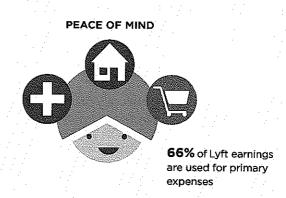
77% of passengers submit feedback on the quality of their ride



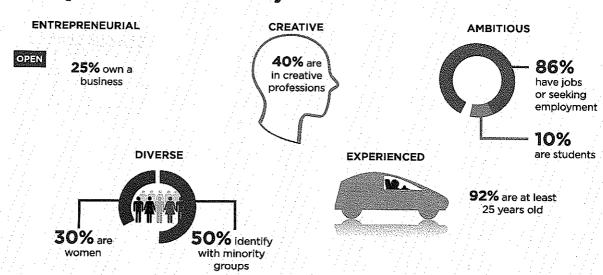
Automatic review of driver ratings

Driver Snapshot





The Lyft Driver Community is:



Zero Tolerance Policy

ISSUE IDENTIFICATION

Passengers are encouraged to call or email Lyft Support if they suspect a driver is under the influence of drugs or alcohol.

Lyft will immediately suspend the driver's access to the app pending an investigation.

Lyft also actively monitors passenger feedback for indicators of a zero tolerance policy violation.

Less than 0.004% of Lyft rides to date have resulted in zero tolerance investigations.

FEEDBACK MONITORING

Lyft automatically monitors passenger feedback for keywords that may indicate a violation of the zero tolerance policy. The Lyft Trust & Safety team reviews concerning comments. If a violation of the zero tolerance policy is suspected, the driver is suspended while the Trust & Safety team conducts an investigation.



The monitoring parameters are intentionally broad to ensure that Lyft errs on the side of caution. For example, passenger feedback containing the phrase "drug store" would trigger a Trust & Safety review because the word "drug" was used.

As a result, the overwhelming majority of the monitoring alerts prove to be nonactionable.

INVESTIGATION AND CONCLUSION

In the course of a zero tolerance investigation, Lyft will contact the passenger for further details relating to a suspected zero tolerance policy violation.

Prior passengers of a driver under investigation will be contacted if necessary.

If an investigation results in definitive evidence or even a strong suspicion of a zero tolerance policy violation, the driver will be permanently deactivated.



Insurance Overview

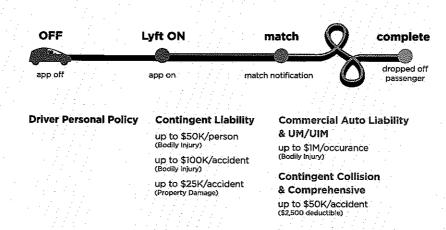
Insurers across America are moving quickly to respond to consumer demand and bring new ridesharing insurance products to market. Lyft currently provides strong insurance coverage at all parts of a ride to ensure a safe trip.

How Do Lyft's Policies Work?

The subject of insurance can be a complicated one, but it's important to know how and when Lyft's policies work in the event of an incident. The following is an overview of how Lyft's insurance policies work. There are four coverages included. Unless otherwise noted, these coverages are in effect from the time a driver accepts a ride request until the time the ride has ended in the app.

- Commercial Automobile
- · Contingent Liability (coverage only when available to accept a ride request)
- Contingent Comprehensive & Collision
- Uninsured/Underinsured Motorist (UM/UIM)

LYFT INSURANCE OVERVIEW



How Does Lyft's Liability Coverage Work?

Lyft's liability insurance is designed to act as the primary coverage from the time drivers accept a ride request until the time the ride has ended in the app unless modified by city or state specific requirements. Note: If a driver has commercial insurance, Lyft's policy remains excess.

Here's how it works:

- DRIVER MODE OFF
 A driver's personal insurance is the insurance policy.
- DRIVER MODE ON BUT NOT YET ACCEPTED A RIDE Lyft provides Contingent Liability protection if personal insurance doesn't.
- RIDE REQUEST ACCEPTED THROUGH
 THE END OF LYFT RIDE

Lyft's liability coverage is primary to a driver's personal insurance. It's designed to cover a driver's liability for property damage and bodily injury of passengers and/or third parties.

How Does Contingent Liability Coverage Work?

Lyft's contingent liability coverage is designed to provide coverage when the app is in Driver Mode before a driver receives a ride request in the event personal insurance does not respond (unless modified by region-specific requirements). The policy has a \$50,000 maximum per person, \$100,000 maximum per accident, and a \$25,000 maximum for property damage. There is no deductible under this policy.

How Does Contingent Collision Coverage Work?

Lyft's contingent collision coverage is designed to cover physical damage to a driver's vehicle resulting from an accident as long as a driver has obtained collision coverage on a personal automobile policy. The policy has a \$2,500 deductible and a \$50,000 maximum for physical damage to the insured vehicle. Like any driver's personal auto policy, this policy is designed to step in regardless of fault.

How Does Contingent Comprehensive Coverage Work?

Similar to Lyft's contingent collision coverage, contingent comprehensive coverage is designed to cover physical damage to a driver's vehicle resulting from a non-collision event (for example, a fire, vandalism, a natural disaster, etc.) as long as the driver has obtained comprehensive coverage on a personal automobile policy. The policy has a \$2,500 deductible and a \$50,000 maximum for physical damage to the driver's vehicle. Like any driver's personal auto policy, this policy is designed to step in regardless of fault.

What Does UM/UIM Mean And How Does This Coverage Work?

UM stands for uninsured motorist and UIM stands for underinsured motorist. In the event of an accident during a Lyft ride with a driver who is uninsured or underinsured and is ultimately at fault for bodily injury, Lyft's UM/UIM coverage will apply for up to \$1M per incident. There is no deductible on UM/UIM claims.

When Do These Coverages Apply?

It depends on the coverage. During the time the Lyft app is on and available to accept a request, the contingent liability policy is in effect. The other three coverages are in effect from the time a driver accepts a ride request until the time the ride has ended in the app.

What States Are Covered By This Policy?

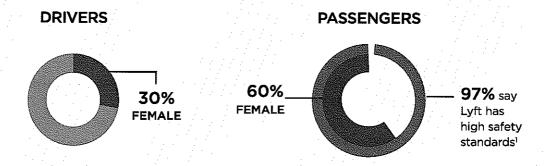
Our policy is available in all states in the U.S, except New York state.



A Welcoming Space

Women Across America Feel Safer With Lyft.

Lyft places a strong emphasis on safety. With our strict criminal background and driving record checks for drivers, GPS ride tracking, in-app feedback, 24-hour Trust & Safety team, and two-way rating system, it's no surprise that women across the country trust Lyft every month.



Women leading at Lyft:

When making decisions that affect driver and passenger safety, women at Lyft are leading the way. Jennifer Stuart | Senior Manager, Trust & Safety

Tali Rapaport VP of Product

Kate Sampson | VP of Insurance

Kira Wampler | Chief Marketing Officer

Kristin Sverchek General Counsel

"Keeping women safe is a key focus, one that is at the forefront of every decision we make. We are constantly working to ensure every ride is a comfortable ride by providing comprehensive emergency support for our drivers and passengers at any time."

Jennifer Stuart, Senior Manager of Trust & Safety



Community Solutions

Lyft is a community-powered ridesharing platform. Through the Lyft mobile app, locals who need rides are connected with nearby neighbors who can provide rides. We believe every community deserves access to safe, reliable, and affordable transportation.

Transportation Deficit

Millions of Americans lack access to a car or have difficulty accessing public transit. Underserved individuals may include the elderly, people with disabilities, or those with low incomes. Innovations like Lyft can help close the gap.

- Fewer than 50% of Americans report living within ¼ mile of a transit stop.
- The average American household spends roughly 18% of its income on transportation. Lower-income families spend as much as 33%.
- Studies show that people who live within walking distance of transit stops or are able to ride to them have a better chance of finding employment.
- Transit services rarely accommodate the atypical schedules of low-income employees working outside of the 9 a.m. - 5 p.m. commute pattern.
- Only 4% of the lowest paid workers report access to workplace flexibility, compared to 41% of the highest paid workers.²

63%

of Chicago Lyft rides start and/or end in areas underserved by existing transportation



Lyft rides in the District of Columbia underserved areas have kept pace with the rest of the district, doubling since April 2014

Commitment to Change

Lyft is committed to continued development in underserved areas, and is guided by these core values:



Empowerment

Empower communities by providing an innovative platform centered around neighbors helping neighbors



Opportunity

Create new economic opportunities through ridesharing and increase overall transportation access



Partnership

Partner with local organizations representing underserved areas to advance their missions alongside ours.



Lyft Line

Lyft Line is the latest evolution of the Lyft community-powered ridesharing platform that connects neighbors traveling in the same direction through a mobile-based application. Line is efficient, affordable, and scalable shared transit that comes to you.

Line Basics

In the US, vehicle occupancy on work commutes is the lowest in nearly 40 years¹ with over 76 % of commuters traveling by car alone.² The resulting road congestion wastes over 2.9 billion gallons of excess fuel, adds 56 billion pounds of greenhouse gases to the atmosphere, and results in 5.5 billion hours of productivity lost to traffic at an annual cost of \$818 to the average commuter.³

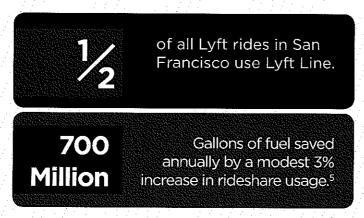
MIT researchers recently estimated that if NYC riders were willing to wait an extra five minutes per trip to pick up other passengers, almost 95% of trips could be shared and travel time could be reduced by more than 30%.4

Every day, 90% of Lyft rides in San Francisco have someone else taking the same trip within five minutes so we connected them and created a new way to ride.

How Lyft Line Works

- 1. Passengers input pick-up and drop-off locations and the Lyft app will match them with another passenger traveling in the same direction.
- 2. Because the drop-off destination is pre-set, Lyft Line calculates a flat fee up to 60% less than a private Lyft.
- 3. Passengers can enjoy the ride and chat members of their own community.

Highlights







Means of Transportation to Work by Selected Characteristics

3. Schrank, D. et al. (2012) Texas A&M Transportation Institute Urban Mobility Report

4. Santi, P. et. al. (2014) Quantifying the benefits of vehicle pooling with shareability networks, 111 Proc. Nat'l. Acad. Sci. 37

. Matute, J. & Pincett, S. (2015) "Compensated and Real-time Rideshare" in *Unraveling Ties to Petro*

Lyft Access

Lyft expands transportation access. We believe everyone can benefit from ridesharing innovation.

Ridesharing allows people in our communities to get around conveniently and affordably, expanding independence for the elderly and thousands with disabilities. And Lyft has been designed with accessibility in mind:

"Of the nearly
2 million people
with disabilities
who never leave
their homes,
560,000 never
leave home
because of
transportation
difficulties."

American Association of People with Disabilities

- Request a ride from wherever you are. Real-time arrival estimates and alerts mean no difficult street hailing or uncertain wait times.
- Voiceover capability in the app makes it easy for those who are blind or have low vision to request a Lyft ride.
- Cashless payments and ride summary emails eliminate the possibility of blind or cognitively disabled passengers receiving incorrect change or unknowingly being charged.
- All Lyft vehicles are accessible to individuals who
 can enter a standard vehicle with assistance, and
 those using foldable wheelchairs who can transfer to
 a standard seat while drivers stow their devices in the
 back seat or trunk. Lyft drivers are more than happy
 to provide this assistance.
- Lyft's anti-discrimination policy strictly prohibits discrimination based on disability or the presence of service animals.

"Lyft gives people with Down syndrome and other intellectual and developmental disabilities additional transportation options, which enables them to become more independent. For people with disabilities, Lyft is a great resource and service."

Sara Hart Weir, President of the National Down Syndrome Society

Environmental Impact

Ridesharing delivers reliable transportation, reduced emissions.

Ridesharing is transforming mobility—Lyft is supporting a car-free lifestyle, reducing traffic congestion, and curbing air pollution with innovative features like:

Lyft Line matches riders with other passengers going in the same direction, enabling two or more parties to share a ride and save up to 60% on their fares. Launched in August 2014, Lyft Line now accounts for over 30% of Lyft rides in cities like San Francisco, resulting in higher vehicle occupancies and reduced vehicle miles travelled (VMTs).

Driver Destination allows drivers to set their own destination and pick up passengers along the way, earning extra money and taking cars off the road.

Lyft for Work enables employers to give workers Lyft credits for carpooling programs that complement public transit. For example, employers can tailor their Lyft service to connect employees with local rail or transit stops during commute hours.

Shared rides make a big impact SAVES 700 Million gallons of fuel¹



13 Million LESS vehicle miles travelled¹

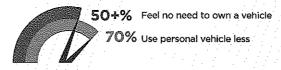
Lyft Line reduces pollution, traffic, and cost



95% rides can be

40% reduction in miles driven²

Ridesharing changes driving behaviour



Ridesharing complements public transit



Lyft rides begin or end at Silicon Valley CalTrain stations

"Enabling people

who were already driving somewhere to seamlessly pick up a passenger gets us one step closer to realtime, dynamic ride-sharing. This will not only help reduce the number of cars on our congested roads, it will also cut our oil demand and carbon pollution."

Amanda Eaken

Deputy Director of Sustainable Communities, Natural Resources Defense Council



